

Project Name:

Local Reimbursement System Modernization (LRS)

OCIO Project #:

3

Department:

Office of the State Controller

Revision Date:

6/15/09

Concept Statement

Description

Brief description of the proposed project:

The SCO Information Systems Division and the Division of Accounting and Reporting recommend replacing the current outdated Local Reimbursement System. This new system must be capable of interfacing with the LGeC online claiming system and accept submission of manual claims, make payments, account for payables and receivables, data warehousing of claims filed & paid, and the preparation of reports on the 120 + mandated cost programs and 2 special reimbursement programs. Additionally, this new system will need to have the capability to provide ad-hoc reports and/or the ability of users to create

Need Statement

High Level Capabilities Needed:

This new system must interface with the LGeC online claiming system, accept submission of manual claim, make payments, account for payables and receivables, provide data warehousing of claims filed and paid, and provide reports for the 120 + mandated cost programs and 2 special reimbursement programs. The regulatory reports include the Annual Report of Program Costs and Payments for State Mandate Programs (AB 3000), the Annual Deficiency Report, and the Audit Finding reports. Additionally, this new system will need to have the capability to provide ad-hoc reports and/or the ability of users to

What is Driving This Need?

The system doesn't have adequate claims posting process, payment system or reporting module to adequately and accurately make payments or extract data for reports required in statute. These constraints and the time it takes to manually navigate the older system leaves SCO insufficient time to adequately monitor and review claims. ISD has one programmer with the technical knowledge to support the system and this person will be retiring in the near future. Due to the age of the technology, finding resources with this knowledge is difficult.

Risk to the Organization if This Work is Not Done:

The existing process is not efficient and effective and manual verification of data is necessary in order to accurately perform the functions. Eventually, the system will collapse and the SCO will be forced to revert to a manual claims filing and payment system. This will void the use of the newly developed LGeC online claiming system and SCO will not be able to meet the statutory payment and reporting deadlines.

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Benefit Statement

Intangible Benefits

Process Improvements

(describe the nature of the process improvement):

This solution will provide a standard supportable platform consistent with industry standards as well as provide the ability to acquire development and support staff based on modern technologies.
Additional intangible benefits will be determined once the feasibility study is complete.

Other Intangible Benefits:

The LRS project supports the following SCO strategic goals:

Goal 4: Invest in our employees to create a destination organization.
Goal 5: Improves communications and information sharing with all stakeholders.

Tangible Benefits

Revenue Generation

(describe how revenue will be generated):

The existing process is not efficient and effective and manual verification of data is necessary in order to accurately perform the functions. Eventually, the system will collapse and the SCO will be forced to revert to a manual claims filing and payment system. This will void the use of the newly developed LGeC online claiming system and SCO will not be able to meet the statutory payment and reporting deadlines.

Cost Savings

(describe how cost will be reduced):

To be determined.

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Cost Avoidance

(describe the cost and how avoided):

To be determined.

Risk Avoidance


(describe the risk and how avoided):

The dollar value of reverting to a manual claims filing and payment system will be calculated as this proposal moves forward.

Improved Services:

The new system will interface with SCO's LGeC online claiming system and accept submission of manual claims, make payments, account for payables and receivables, data warehousing of claims filed & paid, and the preparation of reports on the 120 + mandated cost programs and 2 special reimbursement programs. Additionally, this new system will have the capability to provide ad-hoc reports and/or the ability of users to create their own reports using the data warehouse dramatically improving self-service options, customer service and transparency in government.

Consistency

"No" Responses 		Rationale	Action Required
Enterprise Architecture	Yes	TBD consistent with SCO's & OCIO's EA standards.	Prioritize resources & funds availability.
Business Plan	Yes	TBD consistent with SCO's newly released Strategic Plan..	Prioritize resources & funds availability.
Strategic Plan	Yes	TBD consistent with SCO's newly released Strategic Plan..	Prioritize resources & funds availability.

Impact to Other Agencies

Nature of Impact to Other Agencies

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Agency:

Describe the nature of the impact:

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Solution Alternatives

Alternative 1:

TBD

Technical Considerations for Alternative 1:

Same as above.

ROM Cost:

to

Note: high end of range must not exceed 200% of low end of range

Alternative 2:

TBD

Technical Considerations for Alternative 2:

Same as above.

ROM Cost:

to

Note: high end of range must not exceed 200% of low end of range

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Alternative 3:

TBD

Technical Considerations for Alternative 3:

Same as above.

ROM Cost:

to

Note: high end of range must not exceed 200% of low end of range

Recommendation

Comparison:

Alternative 1	ROM Cost	Risk
	\$0 - \$0	
Alternative 2	ROM Cost	Risk
	\$0 - \$0	
Alternative 3	ROM Cost	Risk
	\$0 - \$0	

Conclusions:

1	
2	
3	
4	

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Recommendation:

SCO recommends the OCIO & DOF support this concept and work in partnership with the SCO for the development of the Local Reimbursement System Modernization.

Concept Approach (if known)

System Complexity:			System Business Hours: (e.g., 24x7, 9am-5pm) :					
Architecture	<input type="checkbox"/> Mainframe	<input type="checkbox"/> Client Server	<input type="checkbox"/> Web Based	Num. of New Databases:				
Technology	<input type="checkbox"/> New	<input type="checkbox"/> New to Staff	<input type="checkbox"/> In-House Experience	Interfaces:				
Implementation	<input type="checkbox"/> Central Site	<input type="checkbox"/> Phased Roll-out			Num. of Sites:			
M & O Support	<input type="checkbox"/> Contractor	<input type="checkbox"/> Data Center	<input type="checkbox"/> Project	<input type="checkbox"/> Returned to Sponsor				
Procurement Approach: (consult with OSI Procurement Center)					Number of Procurements:			
Open Procurement?			Delegated Procurement?					
Scope of Contract	<input type="checkbox"/> Development					<input type="checkbox"/> Implementation	<input type="checkbox"/> M & O	<input type="checkbox"/> Other:
Anticipated Length of Contract:			Years /		extensions for		years	